SUBJECT: Monthly Activity Report for the Month of January 1963

d. Procurement Division Handbook (Continued Item):

- (1) Last month's report stated that the handbook, having been concurred in by the DD/S, had been resubmitted to that office for coordination and issuance. However, the problems of coordination were redirected to this division. Three very lengthy meetings have been held with TSD and it seems as though each word, comma, clause, sentence and period has been scrutinized and debated, resulting in additional rewriting. The revised revision is yet to be concurred in by TSD.
- (2) Another meeting was held with NPIC and after lengthy discussion, agreement was reached and NPIC stated that they would concur. In the meantime, however, revisions resulting from the latest TSD meeting were incorporated in the handbook and while no foreseeable problems should arise, this change requires us to apprise NPIC of the changes made since they last read it.
- (3) A meeting with the Office of Communications has been persistently sought but so far they have not agreed on a date.
- (4) Concurrence of the DD/R will also be sought after resolving problems with the other components referred to above.

2. EXAMPLES OF PROCUREMENT ACTIONS RESULTING IN COST REDUCTION (Continued Item):

Contract No.	Contractor	Reduction	Comments
		\$ 643.00	Reduced profit from 11% to 10% of cost of sales.
		2,988.00	Obtained quantity discount for higher quantity level.
		3,511.00	Negotiator obtained 35% discount vs. Distributor discount of 30% and additional 33 1/3% discount on spares plus \$150.00 each on tests (decrease).

Cost

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- b. Government Furnished Equipment (Continued Item): The amount of Agency-owned property in possession of Contractors on 1 January 1963 amounted to \$2,915,000. This was an increase of \$604,000 over that reported on 1 July 1962. This increase was not necessarily from the issuance of more GFE but rather from requiring more accurate and up-to-date reporting by Contractors, with GFE items increased from 79 on 1 July 1962 to 93 as of 1 January 1963.
- c. Contractor Security Requirements: Letters incorporating new security requirements have been forwarded to all but 20 of our current Contractors. This project will be completed within the next 2 weeks.

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25X1A6a

e. Advertising Contract: The Office of Personnel has requested that we negotiate a term contract with a New York Advertising Agency in the approximate amount of \$15,000 for advertising services in various periodicals and newspapers. Current statutes and Comptroller General decisions relate only to advertising directly with publishers of newspapers. Further investigation and research is being done on this case.

f. Quick Reaction Cases:

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from of inventories "on hand" and "due ins" based on planned requirements for FY 63 and 64. Numerous over and under items are highlighted for further procurement or disposition instructions. This problem is under study by Procurement Division in conjunction with Supply Division, in an attempt to determine what cancellations can be effected on items which have not as yet been shipped.

4. PROBLEMS

Funding of Stock Fund Requisitions: The "hold" on funds for requisitions from the Stock Fund has caused delay, substantial additional administrative work and will cause duplication of effort already expended, when and if the requisitions are reinstated. In the meantime, we are still holding, without action, are requisitions totalling \$2,551,196

5. TRAVEL PERFORMED (Continued Item):

		<u>Personnel</u>	Dates	Installation or Company	Place	25X1A5a1
25X1A9a	1!		1/20 1/22 1/22 1/22 1/22 1/22			
			1/7 & 8 1/9 & 10 1/16 1/17			
			1/24 1/25			
			1/25			
			1/16 & 17			
			1/12			
			1/21			
						_

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